



**Title: Massachusetts Cancellation Fees**

**Subject: Update Following Discussion with Division of Banks**

**Summary:**

The Division of Banks has issued an opinion letter advising that cancellation fees for GAP waivers are not permissible under Massachusetts law. On March 22, 2022, we [GAPA] had a conversation with the Division to learn more about the opinion and to determine if there is an opportunity for reconsideration.

Unfortunately, the Division advised the opinion is final based on their interpretation of existing law and cancellation fees are not permissible. We understand this will impact current practices and require potential form changes, which will require the industry to determine how best to respond. We have explored a legislative fix with local counsel, and they advised it will have to be in a future session, not this current session. We mentioned the industry may want to pursue legislation when we spoke with the Division, and they appeared amenable to working with us, so this might be a viable option for us to consider.